

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

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In the Matter of )  
 )  
Implementation of Sections )  
of the Cable Television Consumer )  
Protection and Competition Act )  
of 1992 )  
 )  
LEASED COMMERCIAL ACCESS )

MM Docket No. 92-266

CS Docket No. 96-60

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COMMENTS OF PBS HORIZONS CABLE ON FURTHER NOTICE  
OF PROPOSED RULEMAKING

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May 14, 1996

File of Docket 96-60  
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**COMMENTS OF PBS HORIZONS CABLE ON FURTHER NOTICE  
OF PROPOSED RULEMAKING**

PBS HORIZONS CABLE ("HORIZONS"), a new cultural and educational program service sponsored by public television that is seeking channel space on cable television systems, submits its comments on the FCC's March 29, 1996 Further Notice of Proposed Rulemaking on commercial leased access.

HORIZONS believes that the Commission's proposals will not only fail to help HORIZONS and other innovative programmers seeking to be carried on cable television systems, but will in fact severely undermine their chances of success.

**I. HORIZONS WOULD BRING CABLE CONSUMERS THE DIVERSITY OF  
SERVICES CONGRESS WANTED CABLE TO PROVIDE**

HORIZONS is an informational and cultural channel that is an initiative of WGBH Boston and Thirteen/WNET New York, two public television stations with major production resources, and the Public Broadcasting Service (PBS). HORIZONS, headed by Lawrence K. Grossman, a former president of both PBS and NBC News, plans to tap into the wealth of

major educational and cultural events offered each day at the nation's leading universities, museums, libraries and arts centers. It will bring to cable homes the most lively and entertaining readings, lectures, debates and symposia. Its fare would range from a Nobel Laureate talking about a new theory of physics to John Updike reading from his latest novel, to a debate with Norman Mailer over the future of the novel. HORIZONS is precisely the type of diverse programming service Congress had in mind when it stated one of its purposes in Section 601(4) of the 1984 Cable Act as to encourage cable to "provide the widest possible diversity of information sources and services to the public."

HORIZONS was launched as a concept three years ago. It, like many other program services coming to the cable market over the past several years, has yet to obtain commitments for space to launch as an operating channel. A combination of circumstances, including the reregulation of cable rates in the 1992 Cable Act, which prevented cable operators from passing through the costs of new programming additions, and delay in cable's channel expansion through digital compression, have left HORIZONS fighting for scarce capacity with scores of other programmers. HORIZONS, meanwhile, has produced several pilots for its channel for airing on public television.

## **II. THE FCC'S PROPOSALS WOULD NOT HELP HORIZONS OBTAIN CABLE CARRIAGE; IN FACT, THEY WOULD EXACERBATE THE DIFFICULTIES IT AND OTHER NEW NETWORKS FACE**

The FCC might expect that HORIZONS would welcome the opportunity to gain carriage under the lower leased access rates proposed in this docket. Nothing could be further from the truth.

In fact, HORIZONS, and niche programming services like it, depend on obtaining a portion of the cable subscriber fees aggregated by the cable operator as payment for basic and enhanced tiers to support their services. HORIZONS expects to help cable operators reach a significant group of consumers that currently watch little cable programming, or even subscribe to cable. While such an audience may be modest by the standards of the commercial networks, or even CNN, the substantial number of museum and library supporters, and attendees at university and other cultural events across the country indicates a thirst for expanding public involvement in the community of ideas.

To attract this audience, cable operators should be willing to pay a comparatively low license fee to HORIZONS. HORIZONS could supplement this fee with revenues from advertising for books, videos, computer software and other products or services relating to the content of the programming. HORIZONS does not intend to allow commercial messages to interrupt its programming.

This is the traditional economic structure of cable television programming. HORIZONS could not make sufficient revenues from product sales alone to afford to pay to cable systems a fee for access to their leased channels, as proposed in the FCC's Further Notice.

HORIZONS urges the Commission to be sensitive to the fact that its proposals may sacrifice the rich information diversity that a programmer like HORIZONS could bring to viewers through the traditional economic incentive structure of cable. If the FCC favors those programmers, like home shopping channels or program length commercial channels,

filled with "infomercials," whose economics might work under the FCC's proposed scheme, HORIZONS will suffer.

HORIZONS urges the FCC to avoid the potential unintended consequences of its proposals to it, to other new niche cable programming networks who are attempting to advance the diversity of service goals of Congress in the 1984 Cable Act, and to cable consumers who would lose the opportunity to view them.

Respectfully submitted,

PBS HORIZONS CABLE

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